



## State Personal Income • Local Area Personal Income Gross State Product • Regional Economic Multipliers

### Regional Economic Accounts

The Bureau of Economic Analysis (BEA) prepares regional economic accounts for the United States. These accounts consist of estimates of state and local area personal income and of gross state product; these estimates are consistent with estimates of personal income and gross domestic product in the Bureau's national economic accounts. BEA also prepares, on a reimbursable basis, regional economic multipliers for areas specified by users.

### State personal income

BEA's annual and quarterly estimates of state personal income are detailed, timely, and comprehensive economic time series that provide a framework for analyzing individual state economies, and that show how state economies compare with each other. These estimates are widely used by government officials and private

citizens to study economic trends for states and regions and to track the levels and the types of incomes that are received by the people who live or work in a state.

The personal income of a state is the income received by, or on behalf of, the residents of the state. Estimates of compensation and of earnings by place of work indicate the economic activity of business and government within the state, and estimates of personal income by place of residence provide a measure of fiscal capacity of the state. BEA's annual estimates of per capita personal income are an indicator of the economic well-being of the residents of a state.

### Local area personal income

BEA's annual estimates of personal income for local areas provide the only detailed, broadly inclusive economic time series for local areas that are available. These estimates are used

by state and local governments for economic planning and by businesses to evaluate marketing strategies.

The personal income of a local area is the income received by, or on behalf of, the residents of the area. BEA prepares estimates for 3,111 counties, 361 metropolitan statistical areas, 575 micropolitan statistical areas, 120 combined statistical areas, 29 metropolitan divisions, and 179 BEA economic areas. The estimates of compensation and earnings by place of work indicate the economic activity of business and government within an area and the estimates of personal income by place of residence provide a measure of fiscal capacity of an area. BEA's estimates of per capita personal income are used as an indicator of the economic well-being of the residents of an area.

### Gross state product

BEA's annual estimates of gross

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state product (GSP) measure the value added to the Nation's production by the labor and property in each state. GSP is the state counterpart of the Nation's GDP. The GSP estimates provide the basis for analyzing the regional impacts of national economic trends.

GSP is measured as the sum of the distributions by industry and state of the costs incurred and income earned in the production of GDP. The GSP estimates are presented in current dollars

and in real (chained) dollars for 64 North American Industry Classification (NAICS) industries.

## Regional economic multipliers

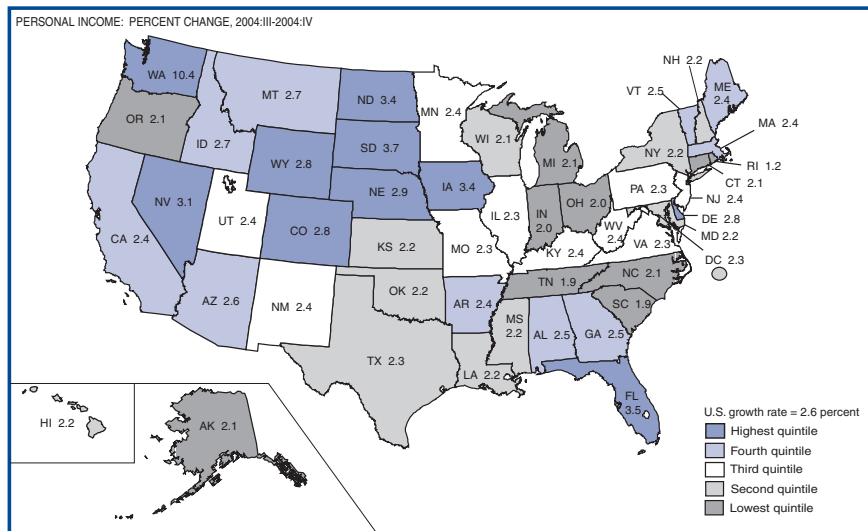
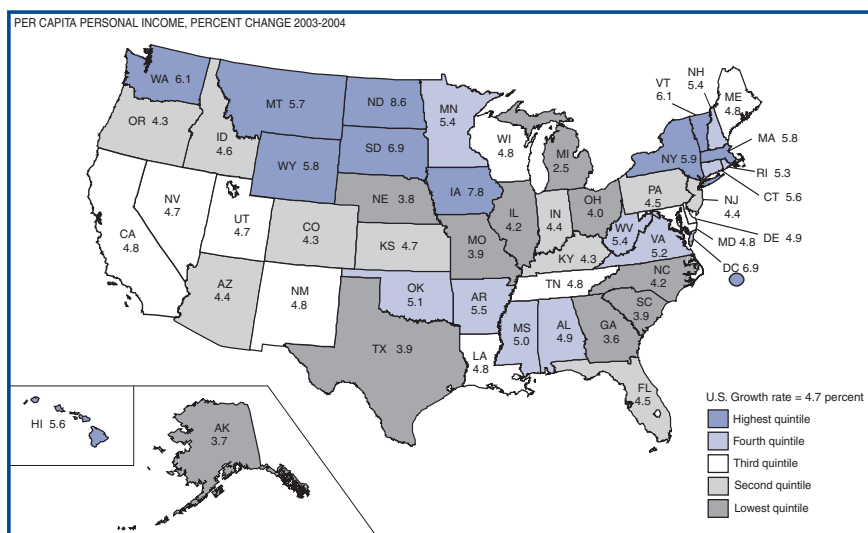
BEA will prepare estimates of economic multipliers for any state or county or combination thereof on a reimbursable basis. The multipliers estimate the effects of the changes in the output of one or more industries in an area on the output, employment, and labor

earnings in the other industries in that area. For example, these multipliers can be used by government officials to gauge the potential impact of closing a defense facility.

The regional multipliers are derived using the regional input-output modeling system and are based on estimates of local area personal income and on the national input-output accounts.

For more information about BEA's regional estimates, go to our Web site at <[www.bea.gov](http://www.bea.gov)>.

## SELECTED REGIONAL ESTIMATES



U.S. Bureau of Economic Analysis